

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6901

BILL NUMBER: HB 1448

DATE PREPARED: Apr 29, 1999

BILL AMENDED: Apr 28, 1999

SUBJECT: Emergency Management Foundation.

FISCAL ANALYST: Ron Sobecki

PHONE NUMBER: 232-9854

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: (CCR Amended) This bill establishes the Indiana Emergency Management, Fire and Building Services, and Public Safety Training Foundation. The bill establishes the following funds to be administered by the Foundation: (1) The Emergency Management Fund to fund projects of the Emergency Management Agency. (2) The Fire and Building Fund to fund projects of the Fire and Building Services Department. (3) The Emergency Medical Services Fund to pay for emergency medical services projects of the Public Safety Institute. (4) The Stewardship Fund to pay for promotion of the sale of Safety First license plates.

It provides that the Foundation may acquire personal property to be donated to a unit of local government, the State Emergency Management Agency, the Fire and Building Services Department, or the Public Safety Institute. The bill provides that the Foundation may receive donations of real property to be sold on the open market, to the state, or to a unit of local government, the proceeds of which are to be donated to the Emergency Management Fund, the Fire and Building Fund, the Emergency Medical Services Fund, or the Stewardship Fund.

This bill establishes the Safety First license plate to be designed as a special group recognition license plate. The bill requires annual fees from the license plate to be deposited as follows: (1) 30% of the fees in the Emergency Management Fund. (2) 30% of the fees in the Fire and Building Fund. (3) 30% of the fees in the Emergency Medical Services Fund. (4) 10% of the fees in the Stewardship Fund. It requires the Foundation to prepare an annual report before October 1 of each year concerning the Foundation's activities for the prior year for the public and the General Assembly. The bill provides that the Foundation is exempt from taxes on real and personal property that the Foundation acquires or disposes of or as a consequence of the Foundation's transactions. It provides that if the Foundation is terminated, money in the funds administered by the Foundation shall revert to the Emergency Management Contingency Fund.

This bill establishes the State Disaster Relief Fund as a nonreverting fund to provide grants to assist counties,

cities, and towns in paying for costs resulting from disasters. The bill provides that the state Emergency Management Agency administers the grant program. It provides that, except in the case of multiple disasters, a county, city, or town is eligible for a grant only if the damage caused to its public facilities exceeds an amount equal to one dollar multiplied by the population of the county, city, or town.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) This bill creates a Safety First license plate as a special recognition plate. The Prison Enterprise Network (PEN Products) charge for the newly created plate would be based on the number of colors in the design as shown in the schedule below:

Colors	Set-Up Charges	Price Per Plate (99-01)
1	\$105	\$3.90
2	170	4.00
3	235	4.10
4	300	4.30
5	365	4.60
6	430	5.00

Additional charges include \$75 per color for any special colors that are not included in PEN's ten standard colors. If PEN Products does the artwork, there is a \$70 per hour charge. Origination fees include the film positives and the silk screen charges. The fund affected for PEN Products is **PEN Products Revolving Fund**. The fund affected for the Bureau of Motor Vehicles (BMV) is the **Motor Vehicle Highway Account** which supports the BMV. There will be computer and accounting changes for the BMV.

Explanation of State Revenues: (Revised) *Emergency Management Foundation:* This bill creates the Indiana Emergency Management, Fire and Building Services, and Public Safety Training Foundation. The Foundation consists of 15 voting and 4 nonvoting advisory members. The Foundation can receive personal property which may be donated to the Fire and Building Services Department, the State Emergency Management Agency, the Public Safety Institute, or a unit of local government. The amount of personal property that will be received is unknown.

The Foundation can also receive real property donations. The real property donated may be accepted for the purpose of resale, either on the open market or to the state or a unit of local government at a price set by the Foundation. The proceeds from the sale of real property shall be donated to a fund chosen by the donor or if not designated, by the donor to a fund chosen by the Foundation. The amount of revenue that will be received by the sale of donated real property is unknown.

Potential revenue from the sales of the Safety First license plates is not known. There will be an administrative fee of \$12 charged for each plate. Revenue from these plates will be split evenly between the **State License Branch Fund** which supports the license branches and the **Motor Vehicle Highway Account** which supports the BMV. In 1997, sales of the existing 41 special plates ranged from 63 Marine Reserve plates to 100,146 Children's Trust Plates. Within this potential sales range, revenue resulting from the existing \$12 administrative fee ranged from \$378 to \$600,876 per plate. The bill requires that the Safety First license plate replace the current Emergency Medical Services license plate. According to the BMV, sales of the Emergency Medical Services license plate average approximately 1,200 plates per year.

Revenues received from the sale of the Safety First license plate shall be deposited in the following manner:

(1) 30% in the newly created Emergency Management Fund, (2) 30% in the newly created Fire Building Fund, (3) 30% in the newly created Emergency Medical Services Fund, and (4) 10% in the Stewardship Fund.

It should be noted that it is possible that sales of this special plate could, to some extent, supplant the sales of the other special plates.

Money in the Emergency Management Fund is to be used to pay for projects of the Emergency Management Agency. Revenues in the Fire and Building Fund shall be used for projects of the Fire and Building Services Department. Money in the Emergency Medical Services Fund shall be used for projects of the Emergency Medical Services Agency. The Stewardship Fund shall be used to promote the Safety First license plate.

The expenses of administering the Foundation and the different Funds shall be paid from the money in the Funds. Money in the Funds at the end of a state fiscal year remain in the designated Fund and if the foundation is terminated money in the Funds shall revert to the State Emergency Management Agency.

State Disaster Relief Fund: This bill creates the State Disaster Relief Fund to be administered by the State Emergency Management Agency. There is no appropriation in the bill for the Fund. The bill sets up the requirements for local entities to apply for grants from the State Disaster Relief Fund.

Explanation of Local Expenditures: (Revised) See State Expenditures.

Explanation of Local Revenues: *Emergency Management Foundation:* The foundation would be exempt from property taxation on the real and personal property that it acquires. Personal property that is donated and real property that is sold to a governmental unit or other tax exempt entity would not be taxable for property tax purposes. If this property had been previously taxable, this proposal would reduce the assessed value tax base. This causes a shift of the property tax burden from the owners of the donated property to all taxpayers in the form of an increased tax rate. The actual fiscal impact depends on the assessed value and location of the donated property.

Total local revenues, except for cumulative funds, would remain unchanged. The revenue for cumulative funds would be reduced by the product of the fund rate multiplied by the exempted assessed valuation amount applicable to that fund.

State Agencies Affected: Emergency Management Agency, Department of Correction, Bureau of Motor Vehicles, Fire and Building Services Department, Public Safety Institute, Emergency Medical Services Department.

Local Agencies Affected: Cities, Counties.

Information Sources: Bureau of Motor Vehicles.